

## CHAPTER 637

AN ACT

HB 3086

Relating to the distribution of excess moneys in the funds of the City of Damascus; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

**SECTION 1.** (1) As soon as practicable after the operative date determined under section 2 of this 2015 Act and until the 60th day following the operative date, the City of Damascus shall post notices in at least two public locations in the city and on the website of the city stating that:

(a) Under subsection (2) of this section, the city is required to satisfy all current and pending debts and obligations for which the city is liable; and

(b) Persons believing themselves to be creditors of the city should present claims to the city as soon as possible to ensure that all valid debts and obligations for which the city is liable will be timely paid.

(2) Notwithstanding ORS 221.650, during the period that begins on the 30th day following the operative date determined under section 2 of this 2015 Act and ends on the 60th day following the operative date:

(a) The City of Damascus shall expend moneys in the funds of the city to satisfy:

(A) Current and pending debts and obligations for which the city is liable, including, but not limited to, debt service payments, lease obligations, financing arrangements and similar obligations;

(B) Outstanding obligations relating to employment of city employees, including pension and other employee benefit obligations; and

(C) Other debts, obligations, liabilities and expenses requiring financial satisfaction by a disincorporating city.

(b) As soon as practicable after making the expenditures required under paragraph (a) of this subsection, the city shall transfer:

(A) All moneys in the city road fund to Clackamas County for deposit in a separate account in the county road fund created for purposes of this subparagraph. Moneys in the separate account shall be expended by the county for the purposes for which moneys in the county road fund may be expended, solely in the territory within the corporate boundaries of the City of Damascus as they existed on the operative date determined under section 2 of this 2015 Act.

(B) An amount not to exceed \$3 million to Clackamas County for deposit in a separate account in the county general fund created for purposes of this subparagraph. Moneys in the separate account shall be expended by the

county for expenses related to the employment of employees of the City of Damascus by Clackamas County pursuant to ORS 236.605 to 236.640, contracted law enforcement services within the territory of the disincorporated city and other current service expenses in the budget of the City of Damascus on the operative date determined under section 2 of this 2015 Act, and the administration by the county of this subparagraph, including but not limited to the processing of expenditures under this subparagraph.

(c) The City of Damascus shall transfer all moneys in the funds of the city in excess of the moneys required to be expended under paragraph (a) of this subsection and transferred under paragraph (b) of this subsection to Clackamas County for deposit in a separate account in the county general fund created for purposes of this paragraph. Excess moneys in the separate account shall be distributed by the county as provided in subsection (3) of this section.

(3)(a) Excess moneys transferred to Clackamas County under subsection (2)(c) of this section shall be distributed by the county on or as soon as practicable after January 1, 2018, to each person that owned taxable property as of June 30, 2016, for which property taxes were paid in full to the City of Damascus for the property tax year beginning on July 1, 2015, in an amount determined by multiplying the amount of all excess moneys to be distributed under this subsection by the ratio of the cumulative amount of ad valorem property taxes certified by the city and paid with respect to the property owned by the person for the property tax years beginning on July 1, 2013, and ending on June 30, 2016, to the cumulative amount of ad valorem property taxes certified by the city and paid with respect to property owned by all persons eligible for the distribution under this subsection for the property tax years beginning on July 1, 2013, and ending on June 30, 2016.

(b) Notwithstanding paragraph (a) of this subsection, amounts that would otherwise be distributed under paragraph (a) of this subsection to a taxpayer with respect to a homestead granted deferral under ORS 311.666 to 311.701 shall be paid to the credit of the account maintained for the deferred property by the Department of Revenue pursuant to ORS 311.676. The county shall notify the taxpayer upon making a payment to the department under this paragraph.

(c) A distribution is not required under this subsection if the amount of the distribution would be \$10 or less.

(d) Before making the distributions described in this subsection, the county may retain an amount of the excess moneys equal to the actual costs of the county in making the distributions.

(e) Excess moneys to be distributed under this subsection that remain unclaimed on January 1, 2019, shall be transferred to the general fund of Clackamas County and may be expended by the county in the same manner as other moneys in the general fund.

(4)(a) Notwithstanding any other provision of law, in order to compensate Clackamas County for the distribution of excess moneys under subsection (3) of this section, for the period that begins on the 61st day following the operative date determined under section 2 of this 2015 Act, and ending 10 years later, funds that would otherwise have been distributed to the City of Damascus under ORS 323.455, 366.785 to 366.820, 403.240 and 471.810 shall be distributed to Clackamas County for deposit in a separate account in the general fund of the county created for purposes of this subsection.

(b) Moneys described in paragraph (a) of this subsection shall be expended by the county on costs, including the actual costs of the county in administering this subsection, related to public safety and law enforcement, urban comprehensive planning, code enforcement and waste water and surface water management that are incurred solely in the territory within the corporate boundaries of the City of Damascus as they existed on the operative date determined under section 2 of this 2015 Act. Territory that is removed from the Metro urban growth boundary or that is annexed to another city during the period described in paragraph (a) of this subsection shall, from the effective date of the removal or annexation, be considered outside the corporate boundaries of the City of Damascus for purposes of this subsection.

**SECTION 2.** Section 1 of this 2015 Act does not become operative until the earlier of the date on which:

(1) Chapter 603, Oregon Laws 2015 (Enrolled House Bill 3085), is approved by a majority of the voters of the City of Damascus voting on chapter 603, Oregon Laws 2015 (Enrolled House Bill 3085), pursuant to section 2, chapter 603, Oregon Laws 2015 (Enrolled House Bill 3085); or

(2) An appellate court of this state issues a final decision that is not subject to further appeal holding that the question of the disincorporation of the City of Damascus voted on at the November 5, 2013, election was effectively approved.

**SECTION 3.** If an appellate court of this state issues a final decision described in section 2 (2) of this 2015 Act before the date of the next primary election:

(1) Chapter 603, Oregon Laws 2015 (Enrolled House Bill 3085), is repealed;

(2) The Secretary of State may not submit chapter 603, Oregon Laws 2015 (Enrolled House Bill 3085), to the people of the City of Damascus for their approval or rejection at a special election held on the same date as the next primary election; and

(3) If chapter 603, Oregon Laws 2015 (Enrolled House Bill 3085), is submitted to the people of the City of Damascus for their approval or rejection at a special election held on the same date as the next primary election, the ballots on the question of chapter 603, Oregon Laws 2015 (Enrolled House Bill 3085), may not be counted.

**SECTION 4.** This 2015 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect on its passage.

Approved by the Governor July 1, 2015  
 Filed in the office of Secretary of State July 2, 2015  
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